

Press Release

Gewa Tower has no major Defects

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Mr Ilkin Bananyarli, the provisional insolvency administrator of GEWA 5 to 1 GmbH & Co. KG, has had intensive talks with experts in the past few days. The talks were about the list which has been the subject of public discussion since last Friday and was incorrectly referred to as a list of defects.

Mr Ilkin Bananyarli from PLUTA Rechtsanwalts GmbH said, "There is no list of defects, but a so-called 'attention' list, which the prime contractor compiled in view of the planned completion of Gewa Tower. This involved listing everything that the prime contractor has to pay attention to in order to exclude any possible liability risks." For example, one point in the list says that window panes might possibly crack if so-called single-pane safety glass is used and that there still remains an element of risk even if a heat soak test is duly carried out. Fire protection for the hotel is also mentioned in the document. This includes recommendations for the future in the event of any possible new legal provisions. Furthermore, the document also includes a long list of issues that have already been dealt with.

The people who bought the flats already knew about all of these issues. The spokesperson for the flat buyers said, "We felt a sense of regret when we followed the last reports in the press, the content of which has turned out to be

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PLUTA helps companies in legally and economically difficult situations. Since the company was founded in 1982, PLUTA has constantly grown. Today PLUTA has a staff of about 500 employees in Germany, Spain and Italy including more than 290 graduates in business economics and business management, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, bankers, bookkeepers, engineers and insolvency administration specialists. Many of them own multiple qualifications what ensures practicable and economically sensible solutions. In particular, PLUTA provides support in restructuring companies affected by a crisis or insolvency and in continuing business operations, if necessary by involving restructuring experts in a responsible role. PLUTA is one of the top enterprises specialising in restructuring and turning around companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brandeins, and Focus. Further information at www.pluta.net

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completely exaggerated in the past few days. This can only harm the project and prevent completion in the near future. Despite all the current challenges, we still firmly believe in the project and hope that our dream homes will be completed soon. Therefore, we are working closely together with the provisional insolvency administrator Mr Bananyarli and are open for talks with potential investors at any time.”

The provisional insolvency administrator held talks with the flat buyers and the Mayoress of Fellbach, Ms Gabriele Zull. Ms Zull confirmed that the building permit is linked with the fire protection analysis and that construction work was monitored by a fire protection expert and a structural engineer on behalf of the City of Fellbach until construction was halted.

The PLUTA attorney Mr Bananyarli explained, “Gewa Tower has no major defects. This has already been confirmed in the report by TÜV Süd.” In September, following a comprehensive analysis, the experts at the German technical control association TÜV Süd came to the conclusion that the block of flats had no defects that required partial demolition or major repairs.

Then the investor who intended to acquire Gewa Tower surprisingly withdrew his offer last week. The provisional insolvency administrator is now forging ahead with a solution with the second investor. He has already held initial talks with the bidder. Furthermore, he has also received several enquiries from other potential investors. “I am optimistic that we will sell Gewa Tower in the coming year to achieve the best possible solution for the bond

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creditors," said Mr Bananyarli.

The joint representative of the bond creditors, Mr Gustav Meyer zu Schwabedissen from the law firm mzs Rechtsanwälte, commented, "In the past few days, reports of supposed defects had been circulating. However, these reports turned out to be fake news. I am very relieved that the tower is in good condition. This is good news for the bond creditors. We will give the provisional insolvency administrator the best possible support in the coming weeks to ensure that the block of flats can be sold to an investor."

GEWA 5 to 1 GmbH & Co. KG had to file for insolvency in November 2016. The Local Court of Esslingen has appointed Mr Ilkin Bananyarli from PLUTA Rechtsanwälts GmbH as the provisional insolvency administrator. GEWA 5 to 1 GmbH & Co. KG is a project company responsible for building the Gewa Tower in Fellbach near Stuttgart, the structural shell of which was completed in October. When completed, the 107-metre-high Gewa Tower should be the third highest residential block in Germany. The tower is planned to have 34 floors and 66 condominiums as well as a business hotel with 123 rooms. The company had issued an SME bond in 2014 to finance the project.

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